

The background of the slide features a large, semi-transparent seal of the United States Department of Defense. The seal depicts an eagle with wings spread, perched atop a shield. Above the eagle's head is a circular emblem containing a constellation of stars. A banner draped across the eagle's chest bears the Latin motto "QUI PRO DOMINA RE PUBLICA SEQUITUR". The entire graphic is set against a light blue gradient background.

# **RISKY ISSUES IN ETHICS**

**ANNUAL ETHICS TRAINING  
FOR  
DESIGNATED DEPARTMENT OF  
DEFENSE PERSONNEL**

**2005**

# Introduction

**Issues that have recently  
caused  
compliance problems**





*Standards of Conduct Office  
2005 Annual Ethics Training*



# Got Ethics Questions?

Contact your ethics  
counselor  
before you act.



# Why Ethics Rules?

- Ensure that we perform our mission with public interest in mind.
- Uphold public's confidence in integrity of Government.



# Topics

- Gifts
- Official Endorsements
- Using Government Resources
- Teaching, Speaking, and Writing
- Post-Government Service Employment

# Our Approach

- Scenarios



- Questions



# Gifts

- SCENARIO: You will give an official speech in Singapore at a conference with representatives of Asian nations and companies. Fun Cruises, a Chinese corporation that does business with your agency, offers to pay your travel expenses, about \$1,900.

• QUESTION:  
May you accept the offer from Fun Cruise?



# Possible Answers

1. No, because the gift exceeds \$20.
2. Yes, because the Foreign Gifts and Decorations Act permits you to accept gifts such as travel expenses from foreign companies when you travel abroad.
3. Yes, because there is a statute that permits your agency to accept payment of expenses for official travel.



# Correct Answer

#3. A statute, 31 U.S.C. § 1353, permits your agency to accept a gift of payment of travel expenses from a source outside the Government for your official travel to a meeting or similar function.



# Gifts (cont)



- SCENARIO: You just returned from duty in Iraq. Friends of the Fighters, an organization that does business with your agency, is offering free tickets (valued at \$35 each), to a concert for Government personnel returning from Iraq and up to 3 family members.
- QUESTION: May you accept the free tickets?

# Possible Answers

- 1. Yes, because of the exception for gifts during war or national emergency.
- 2. No, because you can't accept gifts that are offered because you performed an official duty, such as service in Iraq.
- 3. Yes, because there is an exception for gifts offered to all Government personnel or all military members, even if only offered to those in a specific geographical area.

# Correct Answer

# 3. Though you may generally not accept a gift that is offered because of your official position, there is an exception for gifts offered to all Government personnel or all military members, even if only offered to those in a specific geographical area.



# General Rule - Gifts

You may not accept a gift from a source outside the Government if the gift:



- is offered by a “prohibited source” (anybody that seeks official action from DoD, has or seeks business with DoD, has activities that are regulated by DoD, or has interests that may be affected by the performance of your official duties); or
- is offered to you because of your official position.

# Gifts (cont.)

- SCENARIO: You get a notice in the mail that you have been awarded the Federal Bureaucrat Obfuscation Award, a 36" crystal buffalo to be engraved with your name, plus a \$1,000 check. The annual award goes to the employee who writes the longest official memo without a verb.



- QUESTION: May you accept?

# Possible Answers

1. Yes. The award is made on a regular basis, with written standards.
2. No. You received the award for doing your job.
3. Yes, as long as you give the buffalo and check to charity.



# Correct Answer

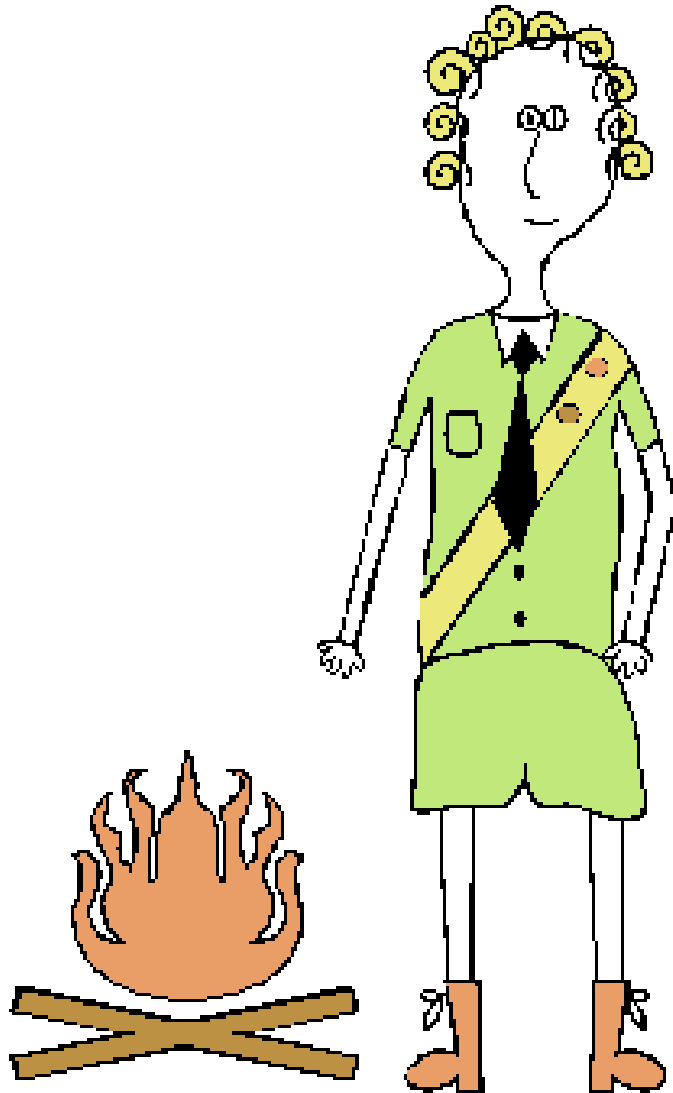
#1. You may accept awards for meritorious public service, even if they stem from your performance at work.

There are conditions:

- 1) The award may not be from someone who has interests that may be affected by the performance of your official duties.
- 2) If the award is cash or investment interests, or if it is more than \$200 in value, then your ethics counselor must determine that the award is presented regularly under written standards.



# Official Endorsements



- **SCENARIO:** Your neighbor, Anita Hand, asks you to write a recommendation for her son, Learned, for his college applications. You only know Learned through your mutual scouting activities.
- **QUESTION:** May you write a recommendation on Government letterhead?



# Possible Answers

1. Yes, because you have known Anita and her son while you are working for the Government.
2. No, there is not enough of an official connection to the Government.
3. Yes, because you work in the office, you may use official letterhead.



DEPARTMENT OF DEFENSE  
Office of General Counsel  
Standards of Conduct Office  
1600 Defense Pentagon, Room 3B652  
Washington, DC 20301-1600

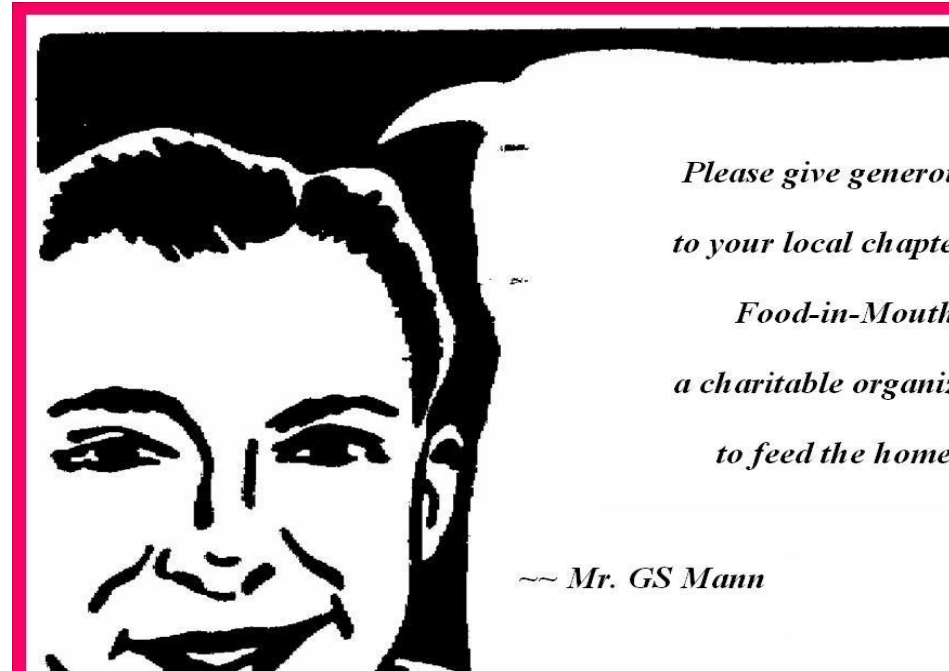
# Correct Answer

#2. Generally, you may not use, or permit someone else to use, your official authority to imply that the Government endorses any personal activity.



# Official Endorsements (cont.)

- SCENARIO: You volunteer your free time to Food-in-Mouth, a charity that feeds the homeless. The charity wants to solicit donations with flyers that highlight the services of its volunteers, including you, and wants to identify you by your Government position.



- QUESTION: May you permit Food-in-Mouth to identify you by your Government position on the flyers?

# Possible Answers

1. Yes. While you may not use your official position to endorse private commercial activities, you may use your official position to endorse worthwhile charities.
2. Yes, because you are a volunteer acting in your personal capacity.
3. No. You generally may not use your official position to endorse any nonfederal activity, including your personal ones.

# Correct Answer

#3.

Generally, you may not use your official position to endorse any non-Federal activity.



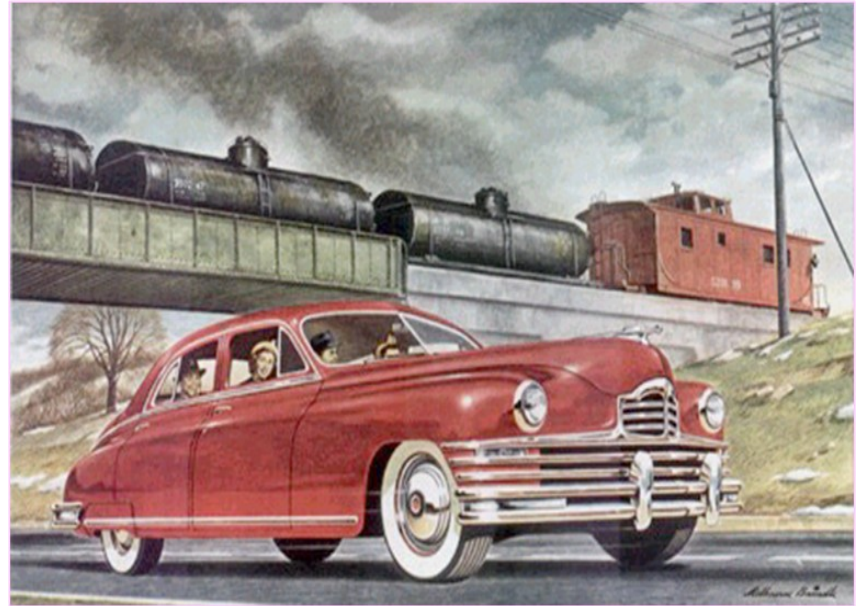
Exceptions:

1. Combined Federal Campaign
2. Military Relief Societies
3. Emergency and disaster appeals approved by Office of Personnel Management.
4. Organizations composed primarily of agency employees or their dependents, under certain circumstances



# Government Resources

- SCENARIO: While you are driving home from work your tire blows out. A gas station a block away replaces the tire right away. You are so thrilled that the problem is solved so easily that you inadvertently use your Government travel card to pay. Later, when you get the bill for the card you immediately pay in full.



• **QUESTION: Is there a problem here?**

# Possible Answers

1. No, because you were commuting from work, you may use your Government travel card.
2. No, because you paid the bill for the travel card right away.
3. Yes, because you were not authorized to use the Government travel card except for expenses incurred when on official travel.

## TRAVEL CARD



# Correct Answer

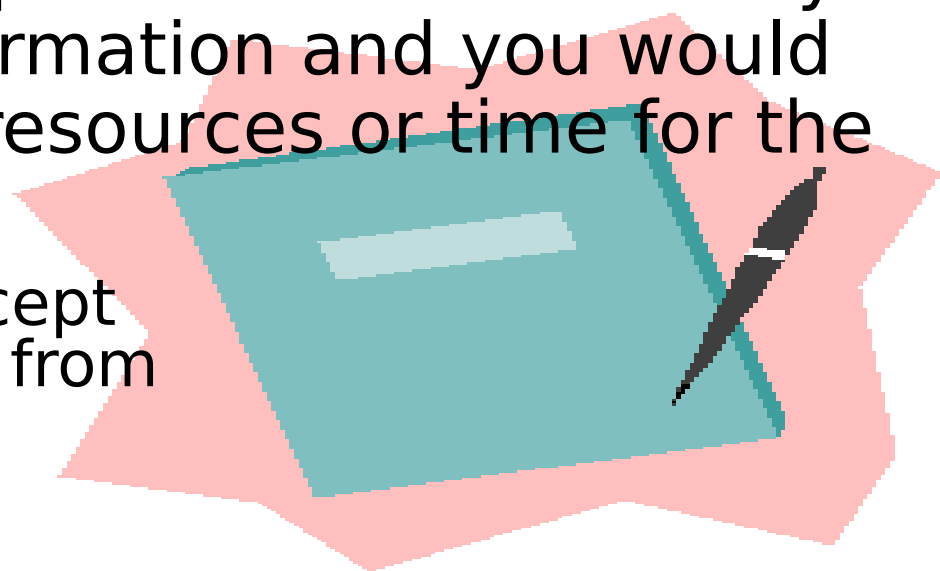
- #3. Misuse of Government travel employees have paid cards and purchase off their charges, cards has received agencies have taken considerable administrative or congressional and disciplinary action. media scrutiny in recent years.



# Teaching, Speaking, and Writing (Personal)

- SCENARIO: Your official duty is to provide advice and information on the U.S. defense relationship with several European countries. You plan to write an article for a magazine, Defense Minutia, on the defense budget process, which does not involve your official duties regarding Europe. You would use only publicly available information and you would not use Government resources or time for the article.

QUESTION: May you accept \$2,000 in compensation from Defense Minutia for the article?



# Possible Answers

1. Yes. The article does not involve your official duties regarding Europe.



2. No. The article deals with an ongoing program or operation of your agency, namely, the DoD budget process.

3. Yes. You are using only publicly available information and you are not using Government resources or time.

# Correct Answer

#2. The general rule is that you may not accept compensation from a source outside the Government for teaching, speaking, or writing that relates to your official duties. That includes writings that deal in significant part with an ongoing or announced policy, program, or operation of your agency. The DoD budget process is a program or operation of your agency, so the budget process “relates to your official duties,” and you may not accept the \$2,000 compensation for writing about it.

# Teaching, Speaking, and Writing (Personal) (cont.)

- **SCENARIO:** You just returned from serving in Afghanistan. Your duty was to set up office equipment and communications links. You started volunteering your free time to help the people of Afghanistan after your convoy was attacked one day. Now that you have returned to the United States, you want to write a book about the attack and about your volunteer work.
- **QUESTION:** May you accept compensation from the publisher?



# Possible Answers



1. Yes, because the attack did not relate to your official duty of setting up offices, and the other experiences involved only your personal activities.
2. No, because when you are deployed, you are on duty 24 hours a day, so everything is official.
3. Yes, if you only write about your personal activities.

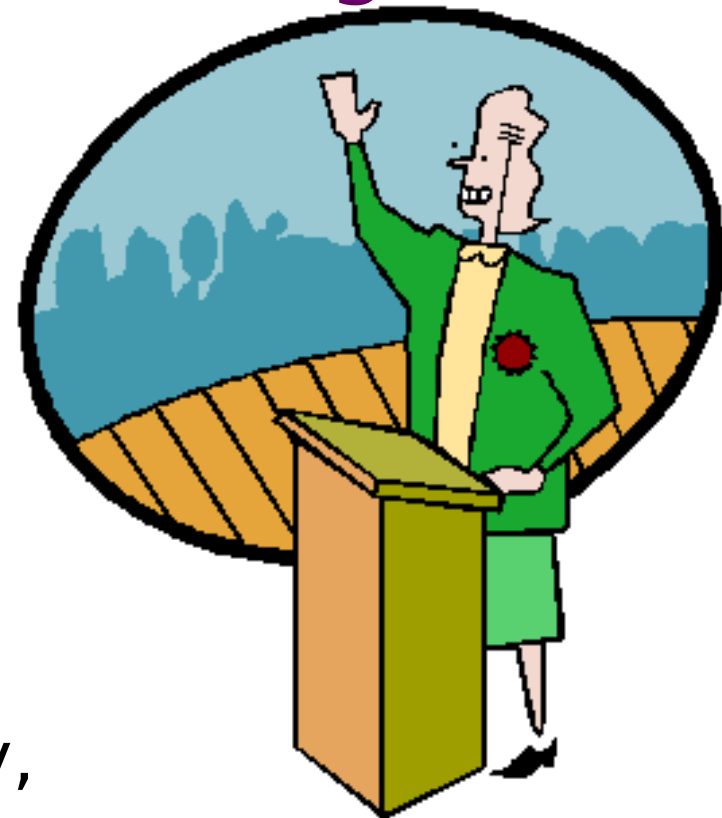
# Correct Answer

#3. You may receive compensation for writing about your personal activities that are not related to your official duties.



# Teaching, Speaking, and Writing (Official)

- **SCENARIO:** Oahu Space Association invites you, as Director of Tropical Space Vehicles, to speak at a conference as part of your official duties, and you have official travel orders. Admission fee, \$200 per day, includes private meetings for attendees from industry with you and other Government speakers.



**QUESTION:** May you speak and participate in the event as part of your official duties?

# Possible Answers

1. No. As a Government official, you may not speak at any conference for which admission is charged.
2. No. Agencies should not participate in events that allow people to buy restricted access to Government officials.
3. Yes, because those private meetings could be quite helpful to you in defining future capabilities and understanding leading-edge technologies.

# Correct Answer

#2. Even if it is in your agency's interests that you speak at the conference, the setting presents a problem. When somebody is trying to "sell" access to public officials, or "deliver" senior officials at private events, it may appear that our officials are giving preferential treatment to the sponsors.



# Teaching, Speaking, and Writing (Official) (cont.)

- SCENARIO: Washington Bureaucrats Association invites you to address its conference on “Erasing the Paper Trail”. Since you are not speaking as part of your official duty, you are not offered compensation. But you recognize that the training would be very useful for 5 other people in your office.
- QUESTION: May you ask the conference sponsor for 5 tickets in lieu of a speaker’s fee?

# Possible Answers

1. Yes. The tickets are a fair exchange for your agreement to speak at the conference. Furthermore, the tickets are for the benefit of the Government, not an individual.
2. Yes. Sponsors usually have spare tickets, and the Government can use them.
3. No. You may not solicit gifts, even for the Government.





# Correct Answer

#3.

The lesson here is to not *solicit* gifts for the Government.



# Teaching, Speaking, and Writing



SCENARIO: The International Polio Eradication Foundation invites the Navy's Surgeon General to address the Foundation's annual fundraiser banquet, with tickets varying from \$1,000 to \$15,000. The Surgeon General is anxious to announce a new U.S. initiative to send Navy medical teams to Africa to immunize children against polio.

- QUESTION: May the Surgeon General make the speech and attend the banquet, even though it is a fundraiser?

# Possible Answers

1. No. Federal personnel may not participate in fundraisers as part of their official duties.
2. Yes. There are some exceptions permitting Federal personnel to support fundraising events of certain organizations, such as the CFC.
3. Possibly, because Federal personnel may make official speeches at certain events, even if the purpose of the events is to raise money.

# Correct Answer

#3. Making an official speech is the only exception to the general prohibition on Federal personnel actively and visibly participating in a fundraising event as part of their official duties.

As the head of a DoD organization, the Surgeon General must make several determinations before participating.



# Post-Government Service Employment Restrictions

- **Before you seek any employment outside the Government, contact your ethics counselor for personal advice.**



# Post-Government Service Employment Restrictions (cont.)

- SCENARIO: *Found You!, Inc.*, is the contractor for the Lost and Found program. You interact with the *Gottcha* division of *Found You!* on technical matters and evaluate their product. Right before a meeting to discuss a product, a *Gottcha* employee unexpectedly mentions that *Found You!* is looking for a manager in a new division, *Bloodhounds for Hire*, completely separate from *Gottcha*. You tell him you're going to talk to your ethics counselor ASAP and then get back to him with your decision. You then proceed with the meeting.

- QUESTION: **Did you do the right thing?**



# Possible Answers

1. No. Even though you were going to talk to your ethics counselor immediately, you did not reject the offer, and you continued to participate in the meeting involving *Found You!, Inc.*
2. Yes. You didn't make any commitment, and you put the *Found You!* employee on notice that you needed to consult with your ethics counselor.
3. Yes. The *Gottcha* division is separate from the *Bloodhounds for Hire* division, so any discussions you had regarding Bloodhounds for Hire were irrelevant to your work on *Gottcha* matters.



# Correct Answer

#1. Once you have engaged in a conversation such as just described, you are considered to be seeking employment with the company.

The lesson: Talk to your ethics counselor now, not later.





# Post-Government Service Employment Restrictions (cont.)

SCENARIO: Having settled the issue in the previous question, you decided to retire and enjoy life. But 6 months after leaving DoD, you contact L.O. Cate, director of the Gottcha Division.



- He offers you a job in his division. You would not drum up new business for the company, but just help it perform the existing \$12 million DoD Lost and Found contract. You would help to develop probability and statistical models. Only a small portion of your time would involve interacting with DoD offices on the Lost and Found contract.
- QUESTION: What may you tell Mr. Cate?

# Possible Answers

1. “That’s great. I want to work with you, but don’t think I can work on that contract.”
2. “That’s great. I want to work with you, but don’t think I can talk to Government people.”
3. “That’s great. I want to work with you, but don’t think I can work on that contract for another 6 months.”

# Correct Answer

#2. Because you participated in the Lost and Found contract as a Government employee by having technical responsibilities for the program and reviewing the contractor's work product, you participated personally and substantially in the contract. That participation triggers a ban on representing anybody outside the Government to the Executive and Judicial branches on that contract. Your forbidden representation would generally include interactions with Government personnel just to carry out the existing contract.

# Conclusion

- **No matter what the ethics issue may be, if you're not sure what to do, check with your ethics counselor in advance.**

# I. Employees' Responsibilities under Executive Order 12674 (as amended):

## DO

- Place loyalty to the Constitution, the laws, and ethical principles above private gain.
- Act impartially to all groups, persons, and organizations.
- Give an honest effort in the performance of your duties.
- Protect and conserve Federal property.
- Disclose fraud, waste, and abuse, and corruption to appropriate authorities.
- Fulfill in good faith your obligations as citizens, and pay your Federal, State, and local taxes.
- Comply with all laws providing equal opportunity to all persons, regardless of their race, color, religion

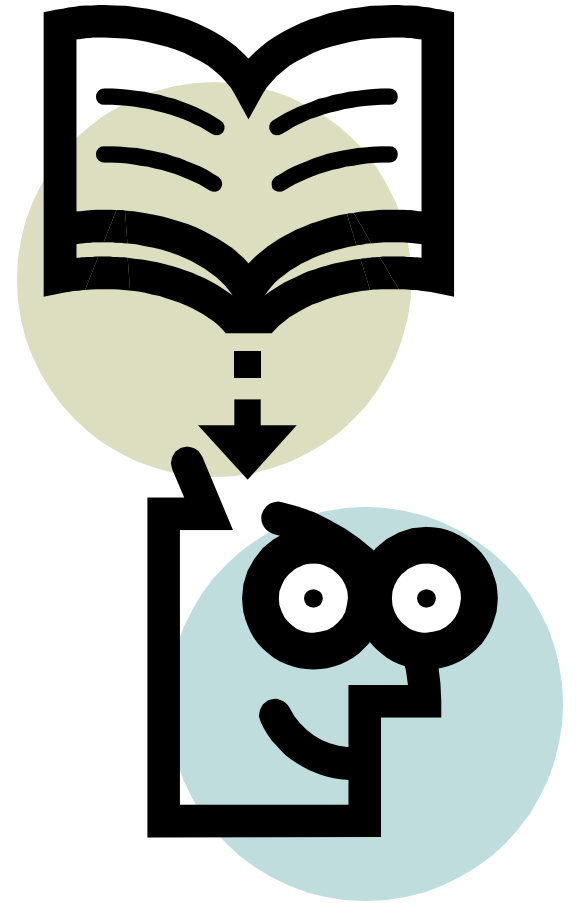
# I. Employees' Responsibilities under Executive Order 12674 (as amended) (cont):

## DO NOT

- Use nonpublic information to benefit yourself or anyone else.
- Solicit or accept gifts from persons or parties that do business with or seek official action from DOD (unless permitted by an exception).
- Make unauthorized commitments or promises that bind the government.
- Use Federal property for unauthorized purposes.
- Take jobs or hold financial interests that conflict with your government responsibilities.
- Take actions that give the appearance that they are illegal or unethical.

## II. Guidance for DOD Personnel:

- Specific guidance for DOD personnel may be found in DOD 5500.7-R, Joint Ethics Regulation, and at the DOD Standards of Conduct Office website:
- <http://www.defenselink.mil/dodgc/defenseethics>



# III. Employees' Responsibilities under Federal Conflict of Interest

## Statutes:

- *Conflicting Financial Interests*
- *Bribery and Graft*
- *Outside Representation or Compensation in Matters Involving Government*
- *Post-Government Employment Restrictions*





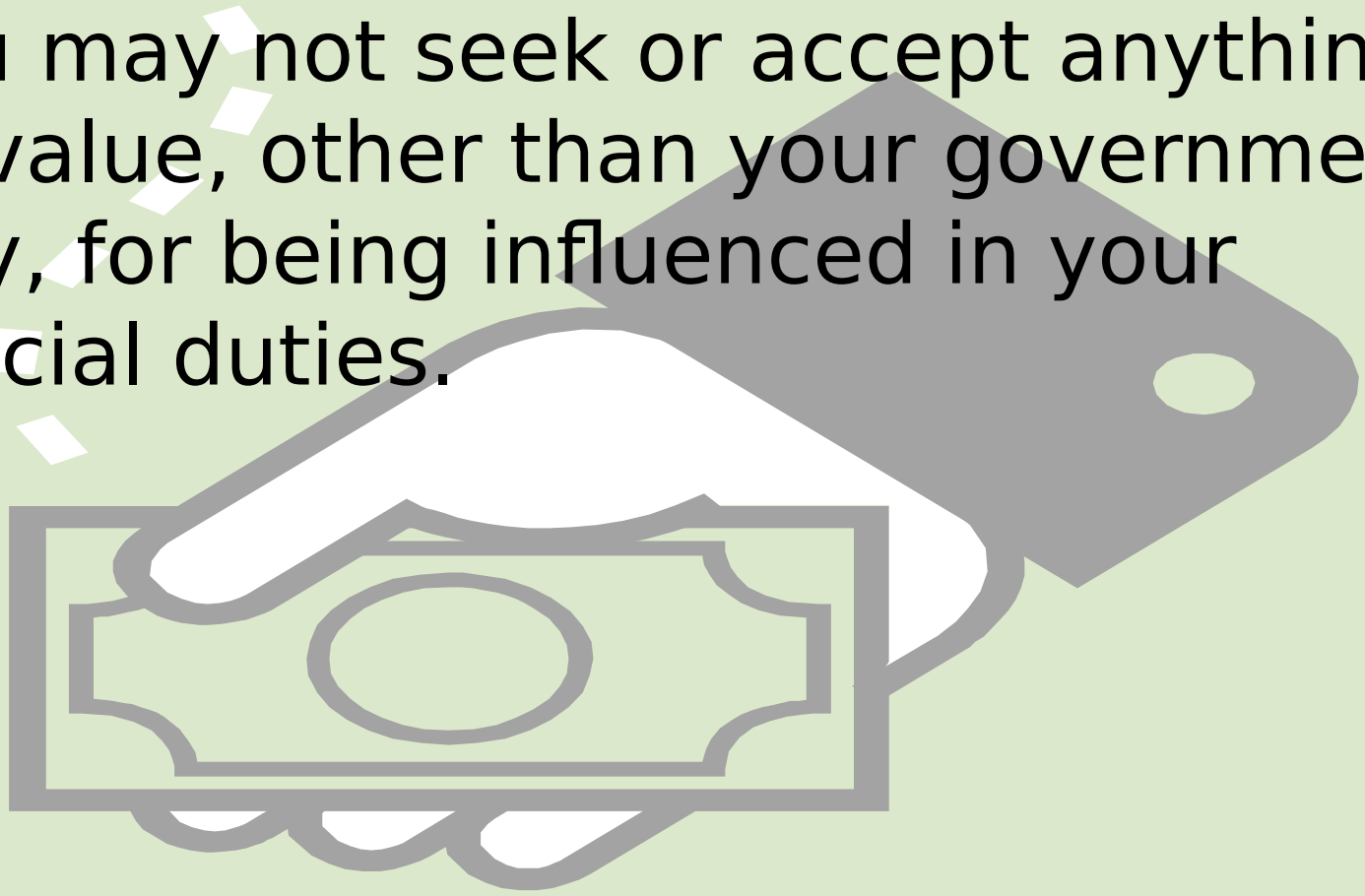
# Conflicting Financial Interests

- **You May NOT Officially Participate**
- **In a Particular Matter**
- **That Could Affect your Financial Interests or**
  - **those of your spouse, minor children, general partner, or organization with which you are negotiating or have an arrangement for future or current employment**
- **If You Have a Conflict, Contact your Ethics Counselor to Determine The Remedy**



# *Bribery and Graft*

- You may not seek or accept anything of value, other than your government pay, for being influenced in your official duties.



## *Outside Representation or Compensation in Matters Involving Government*

- You generally may not represent anyone other than the government to a federal agency or court on a particular matter involving the government. You generally may not share in any compensation resulting from such a representation that was made by anybody else to a Federal agency or court during the time you were a Federal employee.

# *Post-Government Employment Restrictions*

- Seeking and Engaging in Nonfederal Employment while You are still in the Government

- You may not do government work that affects someone with whom you are seeking employment.



- If you engage in nonfederal employment while you are on terminal leave or otherwise still in government service, you may not represent anybody outside the government to the government, with or without compensation, and may not share in compensation for any services performed by anyone to represent someone outside the government to the government.

# *Post-Government Employment Restrictions (cont)*

## Procurement Integrity

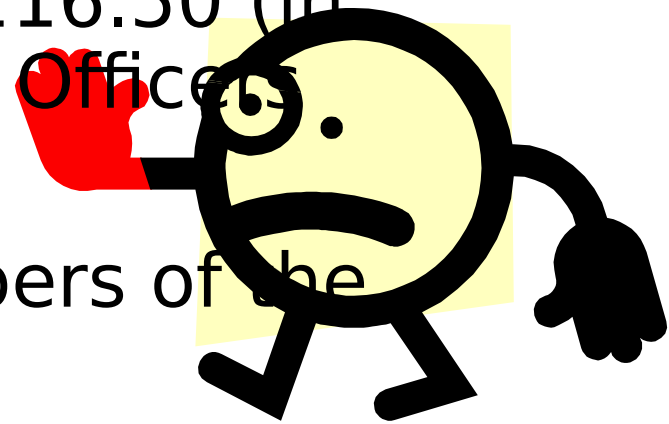
- No Compensation for One Year
- If You Held a Certain Position
- In a \$10 Million Matter
- Ethics Advisory Letter



# *Post-Government Employment Restrictions (cont)*

- Restrictions other than Procurement Integrity

- Civilian Employees with Annual Rate of Basic Pay at or above \$140,216.50 (in 2005), and General and Flag Officers
- All Officers and Employees
- Reservists and Retired Members of the Armed Forces
- Officers and Employees who file Public Financial Disclosure Reports (SF 278)





# *Post-Government Employment Restrictions (cont)*

Civilian Employees with Annual Rate of Basic Pay at or above \$140,216.50 (in 2005), and General and Flag Officers:

- For one year after leaving your senior position, you may not represent anybody outside the government to employees of your former agency with the intent to influence them in connection with an official action.
- For one year after leaving your senior position, you may not aid, advise, or represent a foreign government or foreign political party with the intent to influence the U.S. Government.



# *Post-Government Employment Restrictions (cont)*

## All Officers and Employees

### All Officers and Employees

- Lifetime Ban – Personal and Substantial Participation
- Two-Year Ban - Official Responsibility
- One-Year Ban - Trade or Treaty Negotiations
- Nonpublic Government Information



# *Post-Government Employment Restrictions (cont)*

Reservists and Retired Members of the

- ~~Armed Forces~~ **BEFORE YOU Accept Compensation From a Foreign Government Get Approval from your Service Secretary**
- **No civil office while on terminal leave**
- **6-month wait to work for DoD**



# Post-Government Employment Restrictions (cont)

## Officers and Employees who file Public Financial Disclosure Reports (SF 278)

You must file a final report not later than 30 days after you leave federal service.

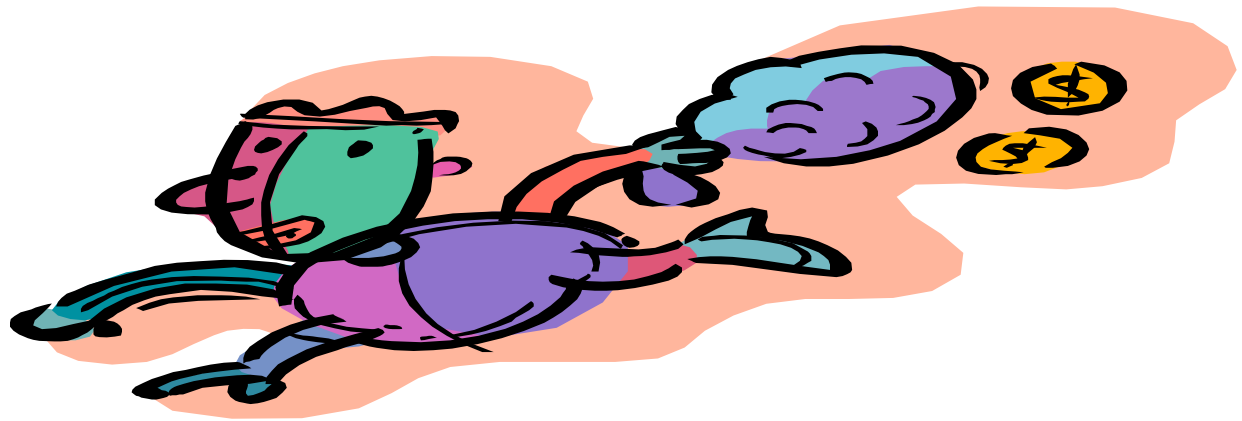
SF 278 (Rev. 03/2000)		Corrected Version				Form Approved OMB No. 3209-0001	
5 C.F.R. Part 2634		Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT					
U.S. Office of Government Ethics							
6	Date of Appointment, Candidacy, Election or Nomination (Month, Day, Year)	7	Reporting Status (Check appropriate boxes)	8	Calendar Year Covered by Report	9	Termination Date (If Applicable) (Month, Day, Year)
8	4/1/03	9	<input checked="" type="checkbox"/> Incumbent	10	2004	11	<input type="checkbox"/> New Entrant, Nominee, or Candidate
10		11	<input type="checkbox"/> Termination Filer	12		13	
11	Reporting Individual's Name	12	Last Name	13	First Name and Middle Initial	14	
12		13	Doe	14	Jane	15	
13	Position for Which Filing	14	Title of Position	15	Department or Agency (If Applicable)	16	
14		15	Director, Information Management	16	DoD - DFAS	17	
15		16	Address (Number, Street, City, State, and ZIP Code)	17	Telephone No. (Include Area Code)	18	
16		17	123 Main St., Arlington, VA 00000	18	703/1 23-4567	19	
17	Location of Present Office (or forwarding address)	18		19		20	
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20	Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	21	Title of Position(s) and Date(s) Held	22		23	
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25	Presidential Nominees Subject to Senate Confirmation	26	Name of Congressional Committee Considering Nomination	27	Do You Intend to Create a Qualified Diversified Trust?	28	
26		27		28	<input type="checkbox"/> Yes <input type="checkbox"/> No	29	
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**encouraged to consult  
your ethics counselor  
well before you  
separate from the  
government about the  
post-government  
service restrictions that  
will apply to your  
specific situation.**



# *Supplementation of Federal Salary*

- You generally may not accept any compensation from a non-Federal source for your government work.



## IV. Ethics Contacts:

**Visit us at**

- [http://www.defenselink.mil/dodgc/defense\\_ethics/](http://www.defenselink.mil/dodgc/defense_ethics/)

